



Staff Report

RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH THE BELMONT CHAMBER OF COMMERCE TO PERFORM ECONOMIC DEVELOPMENT BUSINESS RETENTION SERVICES

Honorable Chair and Board Members:

Summary

Approval of the attached resolution would authorize the Belmont Chamber of Commerce (Chamber) to perform Economic Development Business Retention Services covering the period January 1, 2006 through the fiscal year ended June 30, 2007.

Background

Under a professional service agreement with the Belmont Redevelopment Agency (RDA), the Chamber has been providing economic develop support services design to retain businesses in our community. The contract was extended previously through December 31, 2005, but has since expired (First Amendment). The Chamber is presently performing services to the RDA without benefit of an agreement.

Discussion

Earlier this year, the RDA, working through the City Council's Economic Development Subcommittee, began negotiating a new contract for services with the Chamber. The objectives of the negotiations were to:

- Secure reliable and discrete services that would help retain existing businesses in our community and encourage economic development.
- Encourage self-sufficiency for the Chamber.
- Establish regular communications between the respective entities by requiring periodic reports, not less than quarterly, to the Agency Directors of activities and accomplishments for the period.
- Schedule regular meetings with the Chamber and Agency staff in order to receive updates on progress and exchange ideas with regard to executing services covered in the agreement.
- Improve transparency in the Chambers' financial reporting of its operations and the associated accounting in the use of public funds.
- Facilitate oversight of the Chambers activities through RDA representation on the Chambers' governing board.

In response to these negotiations, the Chamber has prepared two proposals for consideration by the RDA Directors. The first proposal covers the stub period of January 1, 2006 through June 30, 2006. The second proposal covers the three-year period from July 1, 2006 through June 30, 2009.

For the stub period, the Chamber seeks an amendment (Second Amendment) to the existing professional services agreement. During this six month period, the Chamber requests compensation for performing business to business support, operating a Business Resource Center, publishing newsletters, maps and guides, serving as an ombudsman by acting as a single point liaison, and performing other ongoing services. In addition, they request compensation for collecting and analyzing Belmont centric economic data. In return for these services, the Chamber proposes to be compensated \$27,712.50 (\$23,712.50 for services and \$4,000 for collection and analysis of economic data).

The Chamber's proposal dated May 22, 2006 and the Interim Executive Director's memorandum on accomplishments dated June 1, 2006 in support of the stub period agreement are attached as Exhibits 1 and 2.

The second proposal is dated May 4, 2006 and requests a three-year contract beginning July 1, 2006 ending June 30, 2009. The proposal is more comprehensive in scope than the first covering the stub period. In addition to all of the components described in the stub period, it includes publishing a business and community directory, an optional Discover Belmont Campaign and the continuation of marketing and facilitating the processing of applications under the Façade Rebate Program. Furthermore, the Chamber has verbally confirmed acceptance of a series of conditions in their contract that would go along ways towards addressing the key negotiating objectives of the Economic Development Subcommittee described earlier.

In return for these services, the Chamber proposes to be compensated \$70,000 per annum, plus a 20% commission for Façade Rebate Program applications that are granted (\$36,000 for services, \$12,000 for collection and analysis of economic data, \$12,000 for Business and Community Directory and \$10,000 + 20% contingent commission for Façade Rebate Program). If so inclined, the RDA could also direct the Chamber to provide implement the Discover Belmont Campaign for an additional \$10,000. The Chamber proposal calls for the contract amounts to be adjusted annually by the change in the consumer price index.

The Chamber's proposal dated May 2, 2006 is attached as Exhibits 3. The conditions of agreement are attached as Exhibit 4.

General Plan/Vision Statement

The services provided in this report are consistent with the General Plan and Vision Statement.

Fiscal Impact

The fee for the stub period is \$27,712.50 (\$23,712.50 for services and \$4,000 for collection and analysis of economic data). The fee proposed for FY 2007, would be \$70,000, plus a 20% commission for Façade Rebate Program applications that are granted (\$36,000 for services, \$12,000 for collection and analysis of economic data, \$12,000 for Business and Community Directory and \$10,000 + 20% contingent commission for Façade Rebate Program).

The Discover Belmont Campaign is offered for an additional \$10,000.

Only services actually rendered would be compensated.

There is sufficient funding available in the FY 2006 Budget for the stub period. Furthermore, there is sufficient funding in the proposed FY 2007 Budget for the base proposal, excluding the Discover Belmont Campaign.

Public Contact

Posting of City Council agenda.

Recommendation

Staff recommends the following:

1. Accept the proposal for the stub period.
2. Accept the proposal for services beginning July 1, 2006 conditioned as follows:
 1. The contract is for one year ending June 30, 2007.
 2. The conditions called for in Exhibit 4 are included in the agreement.
 3. By December 31, 2006, the Chamber provide the RDA with a plan of financial self-sufficiency which may include merging, consolidating or outsourcing with another service provider effective July 1, 2007 or as early as administratively possible.

The Economic Development Subcommittee has been apprised of these recommendations and is in agreement with them.

Alternatives

1. Seek an alternative service provider.
2. With directions, instruct staff to negotiate alternative deal points.
3. Accept the Chamber's original three-year proposal.

Attachments

- A. Resolution Authorizing a Professional Services Agreement with the Belmont Chamber of Commerce to Perform Economic Development Business Retention Services
- B. Exhibit 1 - Stub Period Proposal
- C. Exhibit 2 - Interim Executive Director's Memorandum of Accomplishments
- D. Exhibit 3 - Three-Year Proposal
- E. Exhibit 4 - Conditions of Agreement

RDA – Chamber of Commerce Contract

June 13, 2006

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Respectfully submitted,

Thomas Fil
Finance Director

Maureen Cassingham
Interim Executive Director

Staff Contact:
Thomas Fil, Finance Director
(650) 595-7435
tfil@belmont.gov

REDEVELOPMENT AGENCY RESOLUTION NO. _____

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BELMONT
AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH THE BELMONT
CHAMBER OF COMMERCE TO PERFORM ECONOMIC DEVELOPMENT
BUSINESS RETENTION SERVICES**

WHEREAS, The Belmont Chamber of Commerce (Chamber) has agreed to perform Economic Development Business Retention Services covering the period January 1, 2006 through the fiscal year ended June 30, 2007; and,

WHEREAS, The Chamber's proposal dated May 22, 2006 for the stub period agreement is incorporated herein and deemed acceptable to the RDA; and

WHEREAS, The Chamber's proposal dated May 2, 2006 for the period beginning July 1, 2006 is incorporated herein and deemed acceptable to the RDA subject to the following conditions:

1. The contract is for one year ending June 30, 2007
2. The Conditions of Agreement are included
3. By December 31, 2006, the Chamber provide the RDA with a plan of merger, consolidation or outsourcing with another service provider to be effective July 1, 2007 or as early as administratively possible.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Belmont authorizes a professional services agreement with the Chamber to perform economic development business retention services. For the stub period, the Chamber shall receive an amendment (Second Amendment) to the existing professional services agreement. Compensation shall be \$27,712.50 (\$23,712.50 for services and \$4,000 for collection and analysis of economic data). For the period July 1, 2006 ending June 30, 2007, compensation shall be \$70,000, plus a 20% commission for Façade Rebate Program applications that are granted (\$36,000 for services, \$12,000 for collection and analysis of economic data, \$12,000 for Business and Community Directory and \$10,000 + 20% contingent commission for Façade Rebate Program). Only services actually rendered shall be compensated.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Redevelopment Agency of the City of Belmont at a regular meeting thereof held on June 13, 2006 by the following vote:

AYES, DIRECTORS: _____

NOES, DIRECTORS: _____

ABSTAIN, DIRECTORS: _____

ABSENT, DIRECTORS: _____

Secretary, Redevelopment Agency

APPROVED:

Chair, Redevelopment Agency

MEMORANDUM

To: Maureen Cassingham, Interim City Manager
Thomas Fil, Finance Director

From: Maureen Freschet, President
Belmont Chamber of Commerce

Date: May 22, 2006

Subject: RDA Proposal

Pursuant to our discussions, we are pleased to submit a revised proposal to perform economic development services for the City of Belmont. The Belmont Chamber of Commerce firmly believes that a strong economic development program is essential to a city's vitality and will ultimately benefit the entire community.

We would like to propose the following components to be renewable on a 3-year basis, adjusted at the end of each year according to the most recent CPI:

- Ongoing Operations and Services: \$23,712.50
- Collection/Analysis of Economic Data: \$4,000.00

Attached is a detailed proposal for your review and approval. We hope that you will give us your favorable consideration so that we may continue our collaborative partnership with the City of Belmont in our mission to improve the quality of life in Belmont and provide programs and services that are of direct benefit to the citizens and businesses in our community.

Please feel free to contact me if you have any questions or require additional information. I can be reached at 650-508-3484.

The Belmont Chamber of Commerce is pleased to submit the following agreement with the City of Belmont for economic development services.

I. Stub Agreement

The Chamber proposes a stub agreement for the following components, renewable at the end of FY 2006/2007. The fees will be adjusted at the end of each fiscal year based on the most recent change in the Consumer Price Index:

Ongoing Operations and Services

\$23,712.50

- Business to business support
- Business Resource Center
- Doing Business in Belmont Handbook and workshop
- Publishing newsletters, maps and guides, etc.
- Represent / co-sponsor at county functions
- New website development (replacing www.BelmontToday.com)
- Ombudsman Services with Chamber acting as a single point liaison to address business leads and act as a Belmont Business Sounding Board

Collection / Analysis of Economic Data

\$4,000.00

Survey top businesses regarding economic activity, prepare reports of local economic conditions, and work with City to identify important / valuable data for local forecasting. Reports shall include graphical, analytical and narrative components and be published within 30 days of the quarter then ended.

Unsecured Property Taxes

This annual analysis, conducted in the fourth quarter of the year, will collect data on major renovations and active replacement programs for equipment, furniture and fixtures for that year. It will also survey companies for any future business expansion plans.

Target companies: major businesses in the RDA areas (be on the lookout for new companies moving into Belmont by reviewing business license data).

Status of Real Estate

This quarterly analysis will track total commercial rental space available, vacancy rates and average sq. ft. rates, as well as residential real estate sales figures and trends in Belmont. Consult BT Commercial for statistical information.

Status of Employment

This quarterly analysis will track job growth in Belmont. Statistics should include employment numbers and unemployment rates, and comparisons with previous quarters. Consult EDD for

statistical information.

Sales Tax

This quarterly analysis will track sales volume and sales growth on taxable transactions in Belmont. Revenue projections for future quarters are also important.

Target companies: top 10 revenue producing companies, not including grocery stores, gas stations and restaurants.

New Business Licenses

This quarterly analysis will track the number of new businesses in Belmont. The Finance Dept. will furnish a list of new business licenses issued every quarter.

Transit Occupancy Tax

This quarterly analysis will survey latest occupancy rates and factors affecting occupancy, current average room rates, and projections for the following quarter.

Target hotels: Extended Stay, Holiday Inn Express, Motel Six, Summerfield Suites.

MEMORANDUM

To: Maureen Cassingham, Interim City Manager
Thomas Fil, Finance Director

From: Vicki Padelford, Interim Executive Director
Belmont Chamber of Commerce

Date: June 1, 2006

Subject: Services accomplished by the Belmont Chamber of Commerce
January 1, 2006 through June 1, 2006.

In our on going vision to service the Belmont community, the Belmont Chamber has accomplished a wide variety of functions for the City, its businesses and residents, as well as those who visit the City, and those who are investigating relocating or starting a business in Belmont. Below you find the accomplishments done from January 1, 2006 through June 1, 2006 by the Belmont Chamber of Commerce in support of the contract services with the Belmont Redevelopment Agency.

- Maintain and provide to visitors, residents and businesses current information regarding the city's businesses and service available in Belmont. We have provided relocation information to various individuals and 150 copies to a Company that is relocating to Belmont.
- maintain a comprehensive and informative web site (with a link to the City of Belmont web site).
- Send out weekly emails entitled "UPCOMING EVENTS" to encourage support to our local businesses and non-profit organizations.
- Provide maps, public transportation schedules and directions for the community and visitors.
- Answer approximately 600 phone calls
- Handle over 300 personal visits to the office
- Respond to over 500 email and regular mail inquiries
- Working with the City on the Annual Festival in the Park; mailed out 400 sponsorship forms, central communication and gathering of information and sponsorships, Booths.
- Completed the "Doing Business in Belmont" handbook and having a workshop on June 15th.
- Façade program has been promoted and have spoken with three companies during the first half of the year; DIVINO Restaurant, Richard Dry Cleaner and Workspace Innovations.
- Welcome new businesses to the community as follows:

Ribbon cuttings:

Luna Mexican Restaurant, Dream Diners and Edible Arrangements.

Mixers:

A joint mixer with San Mateo for Massage Envy and another with San Carlos at the Ralston Hall.

- The Board went to the Library Opening and the Donor reception.
- The whole Board supported the NDNU Viva La Musica.
- Hosted and organized the State of the City luncheon for approx. 90 people.
- We have promoted new businesses going to SCORE as well as answering questions when SCORE was unavailable.
- Printed address Labels for the NDNU music department mailing.
- Attending the Economic Development Committee meetings

MEMORANDUM

To: Maureen Cassingham, Interim City Manager
Thomas Fil, Finance Director

From: Maureen Freschet, President
Belmont Chamber of Commerce

Date: May 4, 2006

Subject: RDA Proposal

Pursuant to our discussions, we are pleased to submit a revised proposal to perform economic development services for the City of Belmont. The Belmont Chamber of Commerce firmly believes that a strong economic development program is essential to a city's vitality and will ultimately benefit the entire community.

We would like to propose the following components to be renewable on a 3-year basis, adjusted at the end of each year according to the most recent CPI:

- Ongoing Operations and Services: \$36,000
- Collection/Analysis of Economic Data: \$12,000
- Façade Improvement Program: \$10,000 + 20% commission

For FY2006-2007, publish a Business & Community Directory: \$12,000

Other projects for consideration by the RDA: \$10,000 - \$40,000

Attached is a detailed proposal for your review and approval. We hope that you will give us your favorable consideration so that we may continue our collaborative partnership with the City of Belmont in our mission to improve the quality of life in Belmont and provide programs and services that are of direct benefit to the citizens and businesses in our community.

Please feel free to contact me if you have any questions or require additional information. I can be reached at 650-508-3484.

**Proposed RDA Agreement with Belmont Chamber of Commerce
2006-2009**

May 4, 2006

The Belmont Chamber of Commerce is pleased to submit the following agreement with the City of Belmont for economic development services.

I. Multiple Year Agreement

The Chamber proposes a 3-year agreement for the following components, renewable at the end of FY 2008/2009. The fees will be adjusted at the end of each fiscal year based on the most recent change in the Consumer Price Index:

Ongoing Operations and Services

\$36,000

- Business to business support
- Business Resource Center
- Publishing newsletters, maps and guides, etc.
- Represent / co-sponsor at county functions
- New website development (replacing www.BelmontToday.com)
- Ombudsman Services with Chamber acting as a single point liaison to address business leads and act as a Belmont Business Sounding Board

Collection / Analysis of Economic Data

\$12,000

Survey top businesses regarding economic activity, prepare reports of local economic conditions, work with City to identify important / valuable data for local forecasting. Reports shall include graphical, analytical and narrative components and be published within 30 days of the quarter then ended.

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This quarterly analysis will survey latest occupancy rates and factors affecting occupancy, current average room rates, and projections for the following quarter.

Target hotels: Extended Stay, Holiday Inn Express, Motel Six, Summerfield Suites.

II. Additional Projects for Fiscal Year 2006-2007

Publish a Business and Community Directory

\$12,000

This 4-color directory will be an important marketing tool for the City of Belmont. It will showcase Belmont's facilities and resources, its demographics as well as its local business community. It will not only provide useful information to prospective businesses wishing to relocate to Belmont, which will encourage new investments, it will also encourage residents to patronize local businesses. We recommend that this directory be mailed to all residents and businesses in Belmont. With the large quantity needed (approx. 10,000 copies), the Chamber is requesting financial assistance from the RDA to offset about one third of the production costs, which includes staff time, printing, as well as mailing and delivery. The City of Belmont will receive the following:

- A supply of directories available exclusively for City use
- Pages devoted entirely to City of Belmont advertising and editorial

III. Other Projects to be Negotiated with the RDA on an Annual Basis

Discover Belmont Campaign

\$10,000 - \$40,000

Projects will be at the discretion of Council. Some components to be considered:

- Seasonal Decorative Banners – with the approval of the holiday banner program by Council, the Chamber will coordinate the project on behalf of the City.
- Dine Around Program – we recommend the continuation and expansion of the 2005 Dine Around Program with Belmont restaurants to generate awareness and additional business.
- Belmont Passport – a shopping program initially to be beta tested on NDNU students and faculty, eventually expanding to a larger population.
- Avenue of the Arts – projects to promote the arts in Belmont.

IV. The following program will be funded from the RDA Capital Projects Fund:

Façade Improvement Program

\$10,000 + 20% commission

The Chamber will continue to administer the City's program to improve commercial building façades. It is understood that the Chamber is to act as the liaison between the client and the City of Belmont. This program will be funded from the RDA Capital Projects Fund.

If there are program changes, there will be a general mailing (a cover letter and brochure on the program) to the businesses in the RDA, advising of the new rules of this program. They will also be informed that the Chamber will assist them in the process. This will be followed up by personal visits to the most targeted businesses, as well as by telephone calls. The Chamber shall also facilitate businesses in applying for grants and loans for the program. Furthermore, the Chamber shall assist with the processing of applications and preparing recommendations in support or denial of submittals. As part of this service, the Chamber will work closely with staff on technical issues and to identify businesses that could most benefit from the Façade Improvement Program.

Within 30 days of quarter then ended, a report will be provided with the list of all the contacts made, as well as the status of all ongoing projects and completed projects.

CONDITIONS OF AGREEMENT

1. During the CONSULTANT's engagement, they shall develop a plan to attain greater self-sufficiency. That plan shall be presented prior to the settlement of the next negotiations and be subject to the approval of the AGENCY;
2. The CONSULTANT's Executive Director agrees to meet regularly, but not less than quarterly, with representatives of the AGENCY to discuss the progress made since the last reporting period and establish goals and objectives as may be required to execute this agreement;
3. The CONSULTANT shall prepare a quarterly report for presentation to the Redevelopment Agency Board of Directors. The contents of the quarterly report shall be mutually agreed upon between the AGENCY and the CONSULTANT, but at a minimum, shall provide sufficient detail to reasonably inform the reader about the nature and quantity of support services rendered to the business community, an executive summary of the economic data collected and analyzed and the status of key projects underway;
4. The CONSULTANT shall provide the AGENCY with monthly financial results with a comparison to budget. Those results should also present the CONSULTANT's financial position, including a reconciliation of cash. The CONSULTANT agrees to transparency in its financial reporting and authorizes the AGENCY to inspect its books and records upon reasonable notice; and
5. The CONSULTANT shall authorize the AGENCY to appoint two positions to the CONSULTANT's Board of Directors. Those positions shall enjoy the same rights as any other voting member.